

## REMARKS

Claims 7-21 and 32-40 are still pending in this application.

### Rejections under Section 103

The Examiner has rejected claims 7-21 and 32-40 under section 103 as being unpatentable over *Barnes et al.* (*Barnes*) in view of *O'Mahony*, "Electronic Payment Systems" (*O'Mahony*). The Office Action at page 2 points out that *Barnes* discloses in Figure 5 and in the associated text a procurement system that handles the registration process and subsequent authentication procedures. Although these arguments have been carefully considered and the reference analyzed, Applicant respectfully traverses this rejection as explained below.

### *Barnes* Distinguished Over Independent Claims 7, 20, 21 and 32

Applicant has previously pointed out that *Barnes et al.* does not teach or suggest a trusted party (such as an account issuer as required by the claims) that not only verifies the identity of a customer during a registration process but also authenticates the customer during an online transaction with another party, such as a merchant. Independent claims 7, 20, 21 and 32 each require three different entities: a customer, a third-party (such as a merchant) and an account issuer. The issuer authenticates the customer for the benefit of the third party during an online transaction. Applicant has previously pointed out the advantages of having the issuer perform verification and authentication.

Respectfully, it is pointed out that *Barnes* does not involve an additional trusted party for the purposes of authentication during a transaction. Figure 5 of *Barnes* shows a customer 24 executing a purchase transaction with a supplier system 16 or seller; there is no trusted party involved during the transaction because the two parties authenticate one another using well-known public-key cryptography techniques.

The administrator 58 of Figure 5 is part of the procurement system 12 and is implemented on customer server 34, which is inside buying organization 12 (see Figure 6). In other words, the procurement system, the registration performed by the administrator, and the purchaser 24, are all part of a single entity, namely, the "Buyer" 12. The disclosure at column 8, lines 33-35 points out that a user is authenticated for access. But, what is really meant is being "authorized" for access; there is no disclosure that the identity of a user is verified, nor that an

outside party (such as an account issuer) is performing the verification. (See column 8, lines 42-45.)

In any case, Figure 5 only shows two parties interacting. All of the independent claims require three entities interacting, including a trusted issuer that verifies the identity of the customer. Figure 5 might disclose a purchaser being authorized by a procurement system, but this authorization is being performed by the purchaser's own company; *i.e.*, the purchaser is an employee of the buying organization 12.

Claims 7, 20, 21 and 32 specifically require that it is the issuer of the account that takes responsibility for verifying the identity of the customer as the owner of the account during a registration process. It is also the issuer that compares the password received from the customer with the originally recorded password for that account during the online transaction between the customer and the third-party merchant. *Barnes* does not disclose in any manner that there is a third entity, namely an issuer, that verifies the identity of the customer during a separate registration process.

For one, *Barnes* does not disclose any third entity such as an issuer that verifies the identity of the customer; *Barnes* only discloses it is the customer's organization itself that might authorize the customer. Secondly, there is no true verification of the customer's identity occurring. *Barnes* uses the word "authenticated" in column 8, but there is no disclosure suggesting that the identity of the customer is actually verified. Thirdly, as required by the independent claims, there was then there is no third entity that not only performs verification of identity during a registration process, but also authenticates that same customer during an online transaction.

Further, Figure 7 of *Barnes* shows how the procurement system 84 of the buyer and the supplier system 98 of the seller interact with the Motorola certificate authority well beforehand to set up their public-key infrastructure. But, Motorola is not involved during a purchase transaction, there is no request sent to Motorola during a transaction end there is no message sent from Motorola to the seller during a transaction.

#### O'Mahony Distinguished

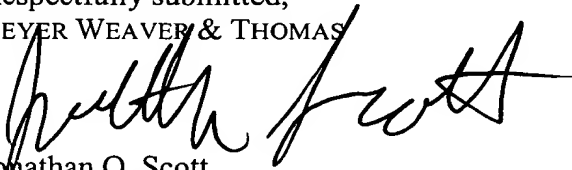
Applicant has previously pointed out that the various payment schemes disclosed in *O'Mahony* are quite different from the currently claimed invention. The systems described in

*O'Mahony* (especially First Virtual, CARI and CyberCash), are deficient in that they do not teach or suggest that the issuer of the user account is the organization that registers the user and compares the passwords during a transaction.

For at least these reasons it is submitted that the rejections be withdrawn.

Reconsideration of this application and issuance of a Notice of Allowance at an early date are respectfully requested. If the Examiner believes a telephone conference would in any way expedite prosecution, please do not hesitate to telephone the undersigned at (612) 252-3330.

Respectfully submitted,  
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